What is claimed is:

Sub A1

1. A method of arranging the capital market securities within a country into a single index which approximates the activities of the securities in the marketplace, the method comprising the steps of:

obtaining a current index of the stock, bond, and money market sectors of the marketplace;

computing a weighting factor for each said index;

applying said weighting factor to each said index to compute weighted indexes; and

calculating a capital market index by combining said weighted indexes, said capital market index for use as a ~~portfolio manager~~.

2. The method of claim 1 wherein the stock index is obtained from a publicly reported stock index calculator.

3. The method of claim 1 wherein the bond index is obtained from a publicly reported index.

4. The method of claim 1 wherein the money market index is obtained from a publicly reported index.

5. The method of claim 1 wherein the weighting factor for each sector of the marketplace is determined by calculating the present day market value of each sector and dividing the present day market value of each said sector by the sum of the present day market value of all of the sectors.

6. The method of claim 1 wherein said weighted indexes are combined into a single index by adding, multiplying, or performing other mathematical operations.

Sub A2

7. A method of arranging the capital market securities within a country into a single index which approximates the activities of the securities in the marketplace, the method comprising the steps of:

determining a stock index;

determining a bond index;

determining a money market index;

computing a weighting factor for each said index;

applying said weighting factor to each said index to compute weighted ~~indexes; and~~

calculating a capital market index by combining said weighted indexes, said capital market index for use as a portfolio manager.

8. The method of claim 7 in which the stock index is computed by assembling a stock portfolio, said stock portfolio comprised of all marketable equity securities; calculating the present day market value for each said marketable equity securities, said market value calculated by multiplying the number of outstanding shares of each assembled marketable equity securities by the price at said present day; calculating the market capitalization of said stock portfolio by summing the market values of each assembled marketable equity security; selecting an initial period divisor; and calculating the equity market index by dividing said market capitalization by the initial period divisor.

9. The method of claim 8 in which the stock portfolio is assembled by computing the market capitalization of each individual stock, said market capitalization computed by multiplying the number of outstanding shares of each individual stock by the price of each individual stock; arranging said stocks into industry groups; and selecting a representative number of stocks from each said industry group.

10. The method of claim 8 wherein the stock portfolio is assembled by computing the market capitalization of each individual stock, said market capitalization computed by multiplying the number of outstanding shares of each individual stock by the price of each individual stock; selecting 90% of the 500 largest capitalized stocks; and selecting 10% of the smallest cap stocks.

11. The method of claim 7 in which the bond index is determined by assembling a bond portfolio, said bond portfolio comprised of all of the U.S. Treasury and federal agency issues with maturity in excess of one year, the most recent investment grade corporate bonds with representation by maturity of $100 million minimum, representative and liquid (or daily traded) mortgage-backed securities, and representative asset backed securities; calculating the present day market value of the selected bond portfolio, said present day market value computed by multiplying the present day price of each security by the amount of each bond outstanding after prepayment and repurchases and adding the amount of interest each bond has accrued; summing the market value of the individual bonds; selecting an initial period divisor; and calculating the bond market index by ~~dividing said present day market value by the~~ initial period divisor.

12. The method of claim 11 wherein the stock portfolio further comprises high yield bonds and municipal securities.

13. The method of claim 7 wherein the money market index is determined by selecting the money market portfolio, said portfolio comprised of 100% of the U.S. Treasury and Federal Agency Issues with a maturity of less than one year, the most recent commercial paper (dealer and directly replaced), the banker's acceptances with representation by maturity, and corporate issues with a maturity of less than one year; calculating the present day market value of each instrument in said money market portfolio by multiplying the present day price of each said instrument by the amount outstanding after prepayments and repurchases and adding accrued interest of each instrument; computing the total market value of the money market portfolio by summing the market value of the individual instruments; selecting an initial period divisor; and calculating the money market index by dividing said present day market value by the initial period divisor.

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14. The method of claim 13 wherein the money market portfolio comprises the three month Treasury Bill returns for U.S. Treasuries and a 50/50 blend of CDs and Banker's Acceptances for other money market instruments

15. The method of claim 7 wherein said weighting factors are computed by obtaining the level of Open Market Paper, U.S. Government Securities, Savings Bonds, Monetary Authority, Corporate and Foreign Bonds and the Equity Market Value from the Federal Release Z1; obtaining the Treasury Bill Public Holdings Level from the Treasury Releases; computing the Bond Holdings by taking the sum of said level of said Open Market Paper and said Treasury Bill Public Holdings Level; computing the Money Market Holdings by taking said Government Securities minus the sum of said Savings Bonds, Monetary Authority and Treasury Bill Holdings, and adding said Corporate and Foreign Bonds; compute the weighting factor divisor by summing the Equity Market Value, the Bond Holdings, and the Money Market holdings; and computing the weighting factors by dividing each said index individually by said weighting factor divisor.

16. The method of claim 7 wherein said Bond Holdings further comprises the Municipal Bond Holdings obtained from the Federal Release Z1 and the Money Market holdings further comprises the Project Note Level obtained from Federal and Dealer information.

17. The method of claim 7 wherein said weighting factors are calculated by obtaining the Bond Index Market Value and the Equity Index Market Value; computing the bond weighting factor by dividing the Bond Index Market Value by the sum of the Bond Index Market Value and the Equity Index Market Value; computing the equity weighting factor by taking ninety percent of the bond weighting factor; and computing the money market weighting factor by taking ten percent of the bond weighting factor.

Sub B3

18. The method of claim 7 wherein said weighting factor indexes are calculated by computing the Bond Index Market Value, the Equity Index Market Value and the Money Market Index Value; computing the weighting factor divisor, said weighting factor divisor being the sum of the Bond Index Market Value, the Equity Index Market Value, and the Money Market Index Value; and computing the weighting factors by dividing each said index by said weighting factor divisor.

19. The method of claim 7 wherein said weighted indexes are combined into a single Capital Market Index by adding, multiplying, or performing other mathematical operations.

20. The method of claim 7 wherein an adjusted initial period divisor is calculated when there is a change of composition of the indexes by computing the adjusted market capitalization of each said index whose composition has changed, multiplying said adjusted market capitalization by said initial period divisor, and dividing by said initial market capitalization.

Sub B4

21. The method of claim 7 in which the index is recalculated as the government revises earlier released data for research and analytical use by obtaining revised government data regarding earlier released data relevant to securities used in the generation of the market index; recalculating the index at the earlier date; and computing a revised index at each subsequent time period leading to the present.

22. The method of claim 7 in which the steps of the method are performed by a computer.

23. A computer having a program for performing the method of claim 22 encoded in the memory thereof.

24. A method of measuring the performance of a portfolio using the method of claim 7.

25. A method of computing a multi-country index to approximate the activities of the securities in the marketplace of the countries, said multi-country index computed by the method comprising the steps of:

computing the index and market value of said index in each included country;

determining the currency value of each said included country;

computing the multi-country market summation by summing the multiplication of the index, the market value, and the currency value of each said country;

computing the divisor by summing the multiplication of the market value and currency value of each said country; and

dividing said multi-country market summation by said divisor.

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